United Nations

# Report of the Committee on Contributions

**General Assembly**
**Official Records**
**Fifty-fourth Session**
**Supplement No. 11 (A/54/11)**

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# Report of the Committee on Contributions

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# Chapter I

## Attendance

1. The fifty-ninth session of the Committee on Contributions was held at United Nations Headquarters from 7 to 25 June 1999. The following members were present: Mr. Iqbal Akhund, Mr. Alvaro Gurgel de Alencar, Mr. Pieter Bierma, Mr. Uldis Blukis, Mr. Sergio Chaparro Ruiz, Mr. Ekorong A Dong Paul, Mr. David Etuket, Mr. Neil Francis, Mr. Henry Hanson-Hall, Mr. Ihor V. Humenny, Mr. Eduardo Iglesias, Mr. Ju Kuilin, Ms. Isabelle Klais, Mr. David A. Leis, Mr. Sergei I. Mareyev, Mr. Ugo Sessi and Mr. Kazuo Watanabe. Mr. Prakash Shah was not able to attend.

2. The Committee elected Mr. David Etuket Chairman and Mr. Ugo Sessi Vice-Chairman.

# Chapter II

## Terms of reference

3. The Committee conducted its work on the basis of its general mandate, as contained in rule 160 of the rules of procedure of the General Assembly; the original terms of reference of the Committee contained in chapter IX, section 2, paragraphs 13 and 14, of the report of the Preparatory Commission (PC/20) and in the report of the Fifth Committee (A/44), adopted during the first part of the first session of the Assembly on 13 February 1946 (resolution 14 A (I), para. 3); and the mandate contained in Assembly resolutions 46/221 B of 20 December 1991, 48/223 C of 23 December 1993, 51/212 B of 3 April 1997, 52/215 B and C of 22 December 1997 and 53/36 B, C, D and E of 18 December 1998.

4. The Committee also had before it the summary records of the meetings of the Fifth Committee held during the fifty-third session relating to agenda item 118, entitled "Scale of assessments for the apportionment of the expenses of the United Nations" (A/C.5/53/SR.3–5, 9, 12–15, 29 and 52–53); the relevant reports of the Fifth Committee to the General Assembly (A/46/818, A/47/833, A/48/806 and Add.1, A/49/673 and Add.1, A/50/843 and Add.1 and 2, A/51/747 and Add.1 and 2, A/52/745 and A/53/464 and Add.1, 2, 3 and 4); the verbatim records of the 32nd, 72nd and 97th plenary meetings of the Assembly at its fifty-third session (A/53/PV.32, 72 and 97); Assembly resolutions 50/207 A of 23 December 1995, 50/207 B of 11 April 1996, 51/212 A of 18 December 1996, 52/215 A and D of 22 December 1997; and Assembly decision 51/454 B of 15 September 1997.

# Chapter III

## Review of elements of the methodology for the preparation of future scales of assessments

5. The Committee recalled that at its fifty-fifth and fifty-sixth sessions, pursuant to General Assembly resolution 48/223 C of 23 December 1993, it had undertaken a thorough and comprehensive review of all aspects of the scale methodology with a view to making it stable, simpler and more transparent while continuing to base it on reliable, verifiable and comparable data. The results of that review are reflected in the Committee's reports.[1] The Committee also decided to keep under review a number of related issues and elements of the methodology for the preparation of the scale, as it had also been requested to do by the Assembly in its resolution 51/212 B of 3 April 1997. At its fifty-seventh session, the Committee resumed its review of the scale methodology and, in the context of the preparation of the scale for the period 1998–2000, came to additional conclusions and recommendations which are reflected in its report.[2] At its fifty-eighth session, the Committee undertook a further review, pursuant to Assembly resolution 52/215 C, the results of which are reflected in its report.[3] In its resolution 53/36 B of 18 December 1998, the Assembly took note of the Committee's decision to consider a number of issues further at its fifty-ninth session, with a view to making a consolidated set of recommendations to the Assembly at its fifty-fourth session.

### A. Income measures

6. The Committee was briefed by the Statistics Division of the United Nations on progress in the implementation of the 1993 system of national accounts (SNA) and recalled its decision[4] to keep the issue under review for the next scale period.

7. The Committee emphasized that it was in the interest of Member States to provide the most complete, reliable and comparable statistics possible to the Statistics Division of the United Nations for the use of the Committee at its sixtieth session, when it will consider the scale of assessments for the period 2001–2003. The Committee was informed by the United Nations Statistics Division that 86 Member States had not yet replied to the 1997 National

Accounts Questionnaire. It therefore urged Member States to complete and return as soon as possible the National Accounts Questionnaire for 1998, which will provide the most recent data to be used in preparing the scale of assessments for the period 2001–2003.

8. The Committee recalled its earlier conclusion that overall differences in the availability and reliability of data for gross national product (GNP), compared with data for gross domestic product (GDP), would not significantly affect the reliability of assessment rates. It also recalled that GNP was conceptually superior to GDP as a first approximation of the capacity to pay. The Committee reaffirmed its earlier recommendations that future scales should be based on estimates of GNP.

## B. Base period

9. The Committee recalled that the base period for calculation of the current scale of assessments had been reduced to six years. It also recalled that, at its fifty-seventh session, it had agreed that the issue of a possible further reduction of the base period to three years should be examined in the context of the scale for the period 2001–2003. At its fifty-eighth session, the Committee agreed to review the matter further at its fifty-ninth session. The Committee noted that, from 1954 to 1977, the base period had been three years. Thereafter, it had risen in stages to 10 years, before being reduced for the scale for the period 1995–1997 to an average of 7 and 8 years and to 6 years for the current scale.

10. In the course of its review of this question, the Committee also recalled and reaffirmed its earlier conclusion that the base period should be a multiple of the scale period so that data from some years should not be used more frequently than data from others. The Committee reaffirmed its view that, in the long run, the base period should be kept constant in successive scale periods.

11. Views differed, however, as to the merits of reducing the base period to three years or retaining it at six years. Lengthening it to nine years was also proposed.

12. Some members stated that a shorter, three-year base period would more closely approximate the current capacity to pay of Member States. It would thus provide more timely relief to those Member States whose economies are facing difficulties by shifting part of the burden to those experiencing the fastest economic growth. It was suggested that this would promote greater financial stability for the Organization.

13. Other members pointed out that year-to-year fluctuations in GNP in dollar terms can be substantial and a longer base period, of six or nine years, would help to smooth such movements and thereby promote greater stability between scales. In addition, it was noted that lags were experienced in the receipt of national accounts data from Member States and that such data were subject to periodic revision. Accordingly, it was suggested that a longer base period would mean the use of more reliable data.

## C. Conversion rates

14. The Committee emphasized the importance of realistic conversion rates in considering the relative capacity to pay of Member States. In this connection, it met with representatives of the International Monetary Fund (IMF) and the World Bank and was briefed on the approach taken by those organizations to conversion rates, in particular where market exchange rates (MERs) are not available or where excessive fluctuations or distortions complicate international comparisons.

15. The Committee also noted with interest an analytical study by the Statistics Division of the United Nations on possible approaches to improving the methodology for computing price-adjusted rates of exchange (PAREs). The Committee noted that work on this approach was at a preliminary theoretical stage and considered that significant conceptual and practical issues would have to be addressed before it could be considered for use in calculations for the scale of assessments.

16. The Committee agreed that this element of the scale methodology should be kept under periodic review in the light of developments. In the meantime, however, the information provided confirmed the Committee's earlier conclusion that MERs[5] should be used for the purposes of the scale, except where that would cause excessive fluctuations or distortions in the income of some Member States, when PAREs or other appropriate conversion rates should be employed. This approach was adopted by the General Assembly for the current scale of assessments. The Committee agreed to consider more systematic criteria and approaches to deciding when MERs should be replaced for the purposes of preparing the scale.

17. In this connection, the Committee requested the Statistics Division of the United Nations to present to the Committee at its sixtieth session a report on the question of criteria for when to replace MERs for the purposes of preparing the scale. The Committee considered World Bank Atlas rates as a possible alternative to the current

methodology for conversion rates to be used in preparing future scales of assessment, but was not convinced that they would be an improvement for this purpose.

## D. Debt-burden adjustment

18. Doubts were expressed about the rationale for inclusion of the debt-burden adjustment in the scale methodology, but there was also support for the view that it was a necessary step in determining Member States' capacity to pay.

19. The Committee recalled that, at its fifty-sixth session, it had noted the improved availability of data on principal repayments of external debt. In that context, and notwithstanding the view of some members that the overall level of debt itself constituted a significant burden, the Committee agreed that, should the adjustment be retained, it should be based on actual principal repayments (what has become known as the "debt flow" approach) rather than on an estimate of the repayment of total debt stocks (what has become known as the "debt stock" approach). At its fifty-seventh session, the Committee recalled and reaffirmed this recommendation and, in the context of trying to elaborate an agreed ninth proposal for the scale of assessments for the period 1998–2000, tentatively agreed that the adjustment should be retained for that scale. In its resolution 52/215 A, the General Assembly decided to retain the adjustment for the scale for the period 1998–2000, using debt flow data for calculation of the scale for 1998 and debt stock data for calculation of the scale for 1999 and 2000.

20. Some members suggested that the permanent members of the Security Council should not be eligible for the debt-burden adjustment since they enjoy special responsibilities in the areas of international peace and security as well as regular budget activities of the United Nations. Furthermore, those members were of the view that permanent members of the Council have the possibility of influencing decisions on the expenditures of the Organization to a far higher extent than others. Other members strongly objected to the idea and stressed that the question was purely political and that it was not in the mandate of the Committee on Contributions to discuss the matter. They also stressed that the idea was totally contrary to the principle of capacity to pay.

21. Different views continued to be expressed about the rationale for this adjustment and strong reservations were expressed as to whether debt flow or debt stock data is more appropriate. Some members, in particular, strongly believed that debt stock, which takes into account in the adjustment all the elements of debt, including the principal and debt service, would be more relevant in determining the real capacity of a Member State to pay.

22. Notwithstanding the different views referred to above, the Committee reaffirmed its earlier recommendations that, should the General Assembly decide to retain the debt-burden adjustment in calculations for the scale of assessments, it should be based on debt flow data.

## E. Low per capita income adjustment

23. The Committee reaffirmed the continuing relevance and importance of the principle of an adjustment for low per capita income, which has been a basic element of the scale methodology from the beginning.

24. Some members stressed the principle of capacity to pay as the fundamental criterion for the apportionment of the expenses of the United Nations and stressed that the low per capita income adjustment has been a basic element with respect to reflecting the principle. They also stressed that the parameters of the current formula met the needs of all countries with low per capita income and best reflected the capacity to pay of Member States.

25. The Committee noted that the adjustment, which involves a reduction of assessable national income for Member States whose per capita GNP falls below the threshold, which is the world average per capita GNP, was the largest made under the current scale methodology and discussed a variety of related issues.

26. One such issue was the level of the gradient, which determines the size of the adjustment based on the extent to which a Member State's per capita GNP falls below the threshold level. The level of the gradient, which rose from 40 per cent in 1948 to 50 per cent in 1953 and then by stages to 85 per cent between 1974 and 1983, was reduced by the General Assembly to 80 per cent in the current scale of assessments.

27. Some members noted that, with the current gradient of 80 per cent, the adjustment reduces the assessment rate for a considerable number of Member States by more than half of their share of world GNP. Accordingly, for those Member States their GNP in dollars is not a first approximation to their capacity to pay. Technically, a better first approximation to the capacity to pay of these Member States would be an assessment rate of zero, with the adjustment raising it above zero. Other members strongly disagreed with these technical conclusions.

28. In that context, some members suggested a further reduction of the gradient, possibly to 50 or 70 per cent. Others strongly felt that the current level of 80 per cent was appropriate and better reflected the capacity to pay of low-income countries.

29. Another suggestion that was considered was the application of different "sliding gradients" for Member States below the threshold, based on their share of world GNP. This was based on the view that Member States with larger economies have a greater capacity to pay and that a very limited number of developing countries with large populations and economies receive a disproportionate benefit from the present method. A number of members did not agree with this suggestion, however, and considered that the current formula was appropriate for all Member States with low per capita income and best reflected their capacity to pay. They totally rejected the proposed discrimination against developing countries with large populations.

30. The Committee also considered the effects of the discontinuity experienced by two groups of States: the Member States moving up through the low per capita income threshold between scale periods and the Member States just above the threshold. The combined effects of the loss of the low per capita income adjustment and having to contribute to adjustment for Member States still below the threshold lead to a sudden scale-to-scale increase for the first group of Member States. It was noted that the situation affected relatively few Member States, only one in the current scale. The Member States in the second group are affected only by the aforementioned contribution to the adjustment received by eligible States. Nevertheless, the Committee concluded that the situation facing these Member States was clearly inequitable and that remedial measures should be considered.

31. It was noted that the discontinuity was the result of an earlier decision by the General Assembly in 1979 to distribute points resulting from the application of the low per capita income adjustment only to countries above the threshold. Previously, it has been distributed to all Member States.

32. In the course of its further review, the Committee also considered a proposal that the calculation of the low per capita income adjustment should involve the reduction of total assessable income by the amount of the adjustment, rather than its reallocation to other Member States. It was noted that this would yield the same result as the pre-1979 method of calculation, but would simplify the process and would bring the method into line with the other adjustments in the scale methodology, namely the debt-burden adjustment, the ceilings and the floor. Like the pre-1979 method, it would also share the cost of the adjustment among all Member States, except those limited by the ceilings. Some reservations were expressed, however, about the impact of this proposal, or the alternative of reintroducing the pre-1979 method, on the overall level of the low per capita income adjustment.

33. As regards the possibility of a delay in assigning points from the adjustment to Member States moving up through the threshold, there were also differing views, as to both whether it should be done and, if so, for what period of time. While it would reduce somewhat the sharp increase for countries experiencing the discontinuity, it was felt by some to be unfair to those countries that had experienced the discontinuity in the past without such relief, as well as to countries that were only just above the threshold themselves which would have to contribute to such relief. If the delay was implemented, there was some discussion about whether it should be applied for one or more scale periods.

34. The General Assembly may wish to consider whether the scale methodology should be changed to eliminate or mitigate the effects of discontinuity outlined above.

35. Some members suggested that the permanent members of the Security Council should not be eligible for the low per capita income adjustment since they enjoy special responsibilities in the areas of international peace and security as well as regular budget activities of the United Nations. Furthermore, those members were of the view that permanent members of the Council have the possibility to influence decisions on the expenditures of the Organization to a far higher extent than others do. Other members strongly objected to the idea and stressed that the question was purely political and that it was not in the mandate of the Committee on Contributions to discuss the matter. They also stressed that the idea was totally contrary to the principle of capacity to pay.

## F. Floor

36. The Committee recalled that it had recommended that, in future scales of assessments, the minimum assessment rate should be set at 0.001 per cent and that, in its resolution 52/215 A, the General Assembly had accepted that recommendation for the scale of assessments for the period 1998–2000. The Committee recommended that the minimum assessment rate for the scale of assessments for the period 2001–2003 should be maintained at 0.001 per cent.

37. Some members referred to the idea of introducing a floor rate, of at least 3 per cent, for permanent members of the Security Council, given their special responsibilities in the areas of international peace and security as well as

regular budget activities of the United Nations. Furthermore, those members were of the view that permanent members of the Council have the possibility of influencing decisions on the expenditures of the Organization to a far higher extent than others do. Other members strongly objected to the idea and stressed that the question was purely political and that it was not in the mandate of the Committee on Contributions to discuss the matter. They also stressed that the idea was totally contrary to the principle of capacity to pay.

### G. Ceilings

38. The Committee recalled that the current scale methodology provided for a maximum assessment rate (ceiling) of 25 per cent and a maximum assessment rate for the least developed countries (LDC ceiling) of 0.01 per cent. It noted that, currently, one Member State benefited from the ceiling and two from the LDC ceiling.

39. The Committee recalled that its terms of reference provided that, if a ceiling was imposed on contributions, it should not be such as to seriously obscure the relation between a nation's contribution and its capacity to pay. In this context, divergent views were expressed regarding the applicability and level of ceiling rates in the United Nations scale of assessments. In regard to the LDC ceiling, it was noted by one member that it creates inequity among LDCs, since the ceiling currently benefits only two LDCs, because of their large size or a relatively high per capita GNP.

### H. Scheme of limits

40. The Committee recalled that, consistent with General Assembly resolutions 48/223 B of 23 December 1993 and 52/215 A, the effects of the scheme of limits would be fully phased out during the current scale period.

### I. Annual recalculation

41. The Committee on Contributions recalled that it had considered the question of annual recalculation of the scale briefly at its fifty-seventh session[6] and, in more detail, at its fifty-eighth session[7] pursuant to General Assembly resolution 52/215 C. In its review, the Committee highlighted a number of procedural and practical questions raised by the proposal. The results of the Committee's review are reflected in its reports.

42. The Committee will consider the question of annual recalculation of the scale of assessments further at an appropriate future session in the light of any guidance received from the General Assembly.

## Chapter IV

## Application of Article 19 of the Charter of the United Nations

43. The Committee recalled that, in its resolution 52/215 B, the General Assembly had requested the Committee to keep under review the procedural aspects of the consideration of requests for exemption under Article 19 of the Charter of the United Nations and to make recommendations thereon, as appropriate. The Assembly also requested the Committee to review current procedures for the application of Article 19, including the possibility of calculating and applying it at the beginning of each calendar year and at the beginning of the peacekeeping financial period on 1 July of each year, and to make recommendations thereon, as appropriate, to the Assembly before the end of its fifty-third session.

44. The results of the Committee's review of these questions at its fifty-eighth session are reflected in its report.[8] As it had been requested to make recommendations, as appropriate, to the General Assembly on procedures for the application of Article 19 before the end of its fifty-third session, the Committee decided to consider the matter further at its fifty-ninth session.

45. In its resolution 53/36 C, the General Assembly had subsequently requested the Committee, at its fifty-ninth session, to consider and make recommendations to the Assembly at its fifty-fourth session on the possibilities for tightening the application of Article 19. It also requested the Committee to review the procedural aspects of the consideration of requests for exemption under Article 19, in particular modalities for dealing with such requests received when the Committee was not in session, and to make recommendations to the Assembly in that respect before the end of its fifty-third session. The Assembly further requested the Committee to consider further and to make recommendations, as appropriate, on the issues raised in paragraph 28 of its report,[3] including measures to encourage the timely, full and unconditional payment of assessed contributions, pursuant to its general mandate under Assembly resolution 14 A (I) of 13 February 1946.

## A. Procedural aspects of the consideration of requests for exemption under Article 19

46. The Committee recalled that, pursuant to General Assembly resolution 50/207 B, it had reviewed the procedural aspects of the consideration of requests for exemption under Article 19 of the Charter at its fifty-sixth and fifty-seventh sessions. The observations resulting from that review are reflected in the Committee's reports on those sessions.[9] Pursuant to Assembly resolution 52/215 B, the Committee considered the matter further at its fifty-eighth session. Its further observations are reflected in its report.[3]

47. The Committee emphasized the importance of the obligation of Member States to pay all assessed contributions in full and on time. It also stressed the need to apply a stringent standard to requests for exemption under Article 19. It recognized, however, that Article 19 provides for Member States to be permitted to vote despite falling under its provisions when the General Assembly is satisfied that the failure of a Member State to pay is due to conditions beyond its control.

48. In the context of considering requests for exemption under Article 19 at earlier sessions, the Committee identified a problem of timing. Under current procedures, Article 19 is applied on 1 January of each year based on data available only at the end of the previous year. Regular sessions of the Committee on Contributions are generally held between late May and early July each year, usually in June. Accordingly, even if the Committee recommends an exemption under Article 19 and this is approved by the General Assembly, the Member State concerned will be without a vote between 1 January and whenever the Assembly acts on the recommendation of the Committee. This will generally be some time between July and October/November. As resumed sessions of the Assembly have become more common, this problem of timing has become more significant.

49. In this connection, the Committee has recommended a number of exemptions under Article 19 through the next session of the General Assembly or until 30 June of the next year. This has permitted the Committee to consider any requests for extension of these exemptions at its subsequent regular sessions, without the concerned Member States' losing their right to vote in the meantime. Recommendations for extension can likewise be acted on by the Assembly before, or shortly after, the beginning of its next session so as to allow the Member States concerned to participate in all voted decisions.

50. Such provisions do not, of course, benefit Member States that are requesting an exemption for the first time, rather than an extension. In that connection, the Committee considered a number of different options including the convening of special sessions of the Committee early in the year; automatic interim exemptions for Member States requesting such exemptions, pending action by the Committee and the General Assembly; and adjusting the period used for calculation for application of Article 19 from the calendar year to a period beginning closer to the annual sessions of the Committee.

51. The Committee recalled that the General Assembly had decided to convene special sessions of the Committee in 1996 and 1999. Such meetings, however, do have financial implications and may not always be necessary. The granting of automatic interim exemptions to Member States requesting them would tend to weaken the effect of Article 19, as well as to prejudge the merits of such requests. Adjusting the period used for calculation of Article 19 would require amendment of the Financial Regulations and Rules of the United Nations and its other effects would have to be considered carefully. The gap between the application of Article 19 and the Committee's session would have to be long enough for the Member States concerned to have enough time to consider whether to request an exemption and to provide the necessary supporting information to the Committee.

52. The Committee also considered the possibility of holding its regular sessions earlier in the year. It concluded, however, that this was likely to complicate its work in advising the General Assembly on the scale of assessments, given the cycle of data collection and the need to allow adequate time to prepare documentation for the Committee that takes into account any mandates adopted by the Assembly at the end of the previous year.

53. Another problem of timing considered by the Committee was the period between its adoption of recommendations concerning requests for exemption under Article 19 and action on those recommendations by the General Assembly. In this connection, the Committee decided to remit such recommendations to the current session of the Assembly so as to permit the earliest possible action.

54. A third problem of timing considered by the Committee related to requests for exemption under Article 19 that are received after the Committee's regular session. If such requests are deferred to the regular session, final action could be delayed for over one year.

55. Holding the Committee's regular sessions later in the year might reduce this potential problem, but it would increase the time between the application of Article 19 and the Committee's review of requests for exemption. It might also complicate the work of the Assembly on other issues considered by the Committee, especially in scale years. It was also suggested that the Chairman of the Committee could seek the views of members by correspondence. Such a process would not constitute a decision by the Committee and consultation by correspondence can be time-consuming. Furthermore, such a process does not allow for the interaction and questioning that form a regular part of the Committee's consideration of requests for exemption under Article 19. The Committee also considered the possibility of meeting, using video- or teleconferencing. It concluded, however, that technical and practical issues, including time differences between the 15 cities in which the current members of the Committee are resident, made such an approach impractical at present. The holding of special sessions, as in 1996 and 1999, is clearly possible but this takes some time to arrange and has financial implications for the Organization.

56. The Committee recalled that Member States in danger of falling under Article 19 in the coming year are advised of this by the Secretariat before the end of the year and that the Committee's regular session is normally held in June. The Committee therefore recommended that the General Assembly encourage all Member States intending to request permission to vote under Article 19 to do so early enough, before the Committee's regular session. The Committee also emphasized the importance for Member States requesting permission to vote under Article 19 of providing the fullest possible information, including on economic aggregates, government revenues, foreign exchange resources, indebtedness and any difficulties in meeting domestic or international financial obligations, as well as any other information that might support the claim that the failure to make the necessary payments had been beyond the applicant's control. The Committee also decided to continue to consider the record of payments of Member States requesting permission to vote under Article 19.

## B. Procedures for the application of Article 19

57. As noted above, in its resolution 53/36 C, the General Assembly requested the Committee to consider and make recommendations on the possibilities for tightening the application of Article 19. The Committee understands the reference to tightening the application of Article 19 to refer to changes in the current procedures for its application that would decrease the amount of past due contributions that a Member State could carry before losing its vote in the Assembly.

58. In this connection, the Committee recalls its review of related issues at its fifty-eighth session, the results of which are reflected in its report.[3] The Committee considered further two measures for tightening the application of Article 19 which are discussed in that report, applying Article 19 more often or at a different time than at present and changing the definition of "... the amount of the contributions due ... for the preceding two full years ..." from gross assessments, as at present, to net assessments.

59. Both measures would tend to accelerate the application of Article 19 for most Member States. The impact of such measures on the financial situation of the United Nations would, of course, depend on the reaction to them by Member States. Changing the date of application of Article 19 would require revision of the Financial Regulations and Rules of the United Nations to redefine "arrears" for the purpose of Article 19. Such a change would also have an impact on other issues, such as the procedural aspects of requests for exemption under Article 19.

60. The Committee decided to consider these questions further at an appropriate future session in the light of any policy guidance provided by the General Assembly. In light of significant recent changes in the scale of assessments due to such factors as the phasing out of the scheme of limits and the lowering of the floor, the Committee recommended that, should the Assembly decide to tighten the application of Article 19, the related measures should not be implemented before 2001. It also noted that such measures would not affect specific arrears that are the subject of decisions by the Assembly related to the application of Article 19. The view was expressed, however, that the implementation should be deferred to 2001 only for those Member States affected by the changes mentioned above.

## C. Measures to encourage the timely, full and unconditional payment of assessed contributions

61. At its fifty-eighth session, the Committee discussed the possible indexation of arrears, as well as restricting access for Member States in arrears to recruitment and procurement opportunities offered by the Organization.[3] As noted above, in its resolution 53/36 C, the General Assembly requested the Committee to consider these issues further and to make recommendations, as appropriate, including

measures to encourage the timely, full and unconditional payment of assessed contributions, pursuant to its general mandate under Assembly resolution 14 A (I). In this connection, the Committee considered a number of measures, as outlined below.

62. The Committee noted that implementation of most of the measures discussed would give the payment status of Member States much greater operational significance than at present. Currently, this becomes a major issue only if a Member State's arrears equal or exceed the limit of two years' assessments specified in Article 19. The measures considered below could affect Member States' access to recruitment and procurement opportunities, interest income, the return of surplus balances and the reimbursement of troop and equipment costs.

63. In that case, it would be important to set clear rules and standards to define arrears and timely payment of contributions. In this connection, Financial Regulation 5.4 provides that:

> "Contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Secretary-General referred to in regulation 5.3 above, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears."

Several members felt that application of a 30-day deadline for the purposes of the measures outlined below was impractical and that a longer period should be specified. Another general question that would have to be settled is whether the measures described below should be based on the overall status of each Member State's payments or on an account-by-account basis.

64. Finally, as a practical matter, it is difficult to verify exactly when assessment letters are received and hence the deadline for the timely payment of the related assessments. In view of this, in the event that the measures discussed below are adopted, it might be prudent to fix the deadline for timely payment of assessments from the date of issuance of the assessments, rather than from that of their receipt. This could be combined with a short extension of the deadline, perhaps from 30 to 35 days. Such a change would of course require an amendment of the Financial Regulations and Rules of the United Nations. There would also need to be some provision for how to treat cases of payments that are misdirected or come to the attention of the Secretariat late, even though paid on time.

65. In its initial review of the measures discussed below, the Committee concluded that a number of them raised complex technical issues and that they would require further study before specific proposals could be submitted to the General Assembly. In this connection, the Committee considered that it should undertake such further studies of these issues only if mandated to do so by the Assembly.

### 1. Budgetary surpluses

66. The Committee noted that at present, budgetary surpluses are credited, directly or indirectly, to all Member States, regardless of the status of their payment of assessed contributions, in accordance with Financial Regulations 4.3, 4.4 and 5.2 (d). As a cash conservation measure, the General Assembly approved the suspension of the above-mentioned financial regulations on a number of occasions in the past so that specified surpluses could be retained in the Organization's accounts.

67. One proposal considered by the Committee was that, in future, such credits should be received only by those Member States that are current with respect to their financial obligations to the Organization. Were this done, it would be necessary to decide how to treat that part of the surplus balances that, under current practice, would go as credits to Member States that have not met their financial obligations to the Organization. Such balances could, for example, be: (a) retained by the United Nations; (b) distributed pro rata to those Member States that are current with their obligations; or (c) used to help finance other measures. Should the balances be retained by the United Nations, it would be necessary to decide whether this retention should be permanent, indefinite or only until the Member State concerned became current with its obligations. If the last, it would also be necessary to decide whether a Member State's retained share of the surplus should be credited only when it became fully current with its financial obligations or when it became current with those that had been outstanding at the time of the initial distribution of the surplus. The Committee noted that any change along these lines would require appropriate revisions to the Financial Regulations and Rules.

68. Members of the Committee had differing views on the fairness and practicality of the proposal but agreed that retention of surpluses, whether permanent or temporary, would improve the financial situation of the United Nations.

### 2. Reimbursement of troop contributors

69. The Committee noted that, as a result of unpaid peacekeeping assessments, the United Nations has been unable to pay the full amount of reimbursements of troop, equipment and other costs incurred by Member States participating in peacekeeping operations. As a result, there is a significant and persistent delay in the payment of such reimbursements for a number of peacekeeping missions. Under current practice, all countries to which reimbursements are outstanding are credited or paid as funds become available. The suggestion has been made that priority payment to Member States current with their obligations could be a significant incentive for timely payment of assessments for Member States participating in peacekeeping operations.

70. The Committee emphasized that Member States contributing troops and equipment to peacekeeping missions should be fully reimbursed as soon as possible. While some members were prepared to consider giving priority in such payments to Member States current in their obligations to the Organization, others strongly disagreed.

### 3. Incentive payments and credits

71. Another suggestion considered by the Committee involved payments or credits to Member States that have paid their assessments in full, based on the date of their payments. The source of such payments or credits could be interest income earned on cash balances during the previous year or, as noted above, part of the surplus balances currently credited to Member States that have not paid their assessed contributions in full. The "S-curve" variant of this scheme provides disproportionately higher payments to early payers than to late payers.

72. The Committee noted that a number of organizations of the United Nations system have implemented this type of incentive measure and that their experience does not appear to be conclusive as to the measure's effectiveness in promoting more timely payment of assessed contributions. It further noted that interest income under the General Fund would provide relatively small amounts for such an incentive.

### 4. Redeemable peacekeeping certificates

73. Another suggestion considered by the Committee was the issuance of peacekeeping redeemable certificates by the Secretary-General upon the authorization of the General Assembly. Such certificates would be sold to Member States at a discount, of perhaps 5 to 10 per cent of their face value, and could be used by them to meet part or all of their subsequent peacekeeping assessments. The cost of the discount granted through the certificates could be met from peacekeeping budgets or through authorizing the Secretary-General to use interest income from peacekeeping cash balances.

74. The Committee noted that the discount granted through the certificates would effectively increase the overall cost of peacekeeping operations to other Member States. The Committee was not convinced that the proposal would help to improve the financial situation of the Organization.

### 5. Interest on or indexation of arrears

75. The Committee also considered the suggestion that arrears of assessed contributions should be subject to an interest charge or indexation. Although there are conceptual and practical differences between proposals to charge interest on arrears and to index arrears, both types of proposal involve adding some sort of charge to outstanding assessed contributions.

76. The Committee noted that, should the General Assembly consider it desirable that interest charges should be included in assessments on Member States, or that such assessments should be indexed if not paid on a timely basis, such a decision should make it clear that the revised amount is the new assessed contribution and thus subject to Article 19. Such a decision would have to be effected through an amendment to Financial Regulation 5.2 which defines assessments and how those assessments are to be adjusted.

77. The Committee also noted that a number of practical issues would have to be addressed, including the date from which such charges would accrue; if indexation is applied, the index or indices to be used and the related modalities, given lags in publishing such indices; if an interest rate is applied, the rate or rates to be used; the periodicity (for example annual) of the interest or index charges; whether the charge would be calculated on the balance at the end of the period or the average over the period; and whether the charges would be compounded in the event of continued non-payment.

78. Members of the Committee expressed differing views on the proposal. Among those supporting the idea of such a charge, there was a preference, on conceptual grounds, for indexation of arrears to compensate the Organization for its loss of purchasing power. The Committee agreed that elaboration of the proposal would involve technical issues.

### 6. Ineligibility for election

79. The Committee noted that, among organizations of the United Nations system, the rules of the Food and Agriculture Organization of the United Nations (FAO) and the World Meteorological Organization (WMO) provide that member States that are more than two years in arrears in the payment of their assessed contributions are not eligible for election to various bodies. The rules of the International Maritime Organization (IMO) provide for a similar sanction for members seeking election to the Council that have not discharged their obligations to the organization or committed themselves to a schedule of payments. The Committee also noted that, in an earlier opinion, the Legal Counsel had concluded that such a measure would not be in keeping with Article 19.

80. One member disagreed with the Legal Counsel's opinion and felt that the measure could be an effective incentive for payment of arrears. Others were of the view that the legal opinion meant that further discussion would not be productive and that the question was, in any case, outside the competence of the Committee. Some members noted that matters of interpretation of the Charter were the sole prerogative of the General Assembly. They also felt that the Committee had competence to address the technical dimensions of the issue should the Assembly indicate that it wished to pursue such a proposal.

### 7. Recruitment and procurement

81. The Committee also considered the possibility of restricting access to recruitment and procurement opportunities for the citizens and companies of Member States in arrears in their payment of assessed contributions. Such proposals can range from outright prohibition to positive preferences being given to individuals and entities from Members States that are not in arrears.

82. The Committee noted that, in an earlier opinion, the Legal Counsel had found that these proposals do not immediately raise constitutional issues per se, but rather considerations of management and recruitment policy that can be addressed by the General Assembly. The Committee noted that such measures would raise complicated issues, but differing views were expressed on their consistency with Article 101 of the Charter and the Financial and Staff Regulations.

83. Some members of the Committee had serious reservations about these proposals and, indeed, whether they fell within its terms of reference, raising as they did a variety of issues clearly outside its area of competence.

### 8. Multi-year payment plans

84. The Committee recalled that, at its special session in February 1999, it had decided to consider the subject of multi-year payment plans at its fifty-ninth session. It noted that such plans were used in a number of organizations of the United Nations system.

85. The Committee agreed that the General Assembly could consider the idea of multi-year payment plans as a tool for the improvement of the financial situation of the United Nations. Most members, however, felt that linking multi-year payment plans to the application of Article 19 was inconsistent with the Charter and would tend to weaken its disincentive effect. As regards voluntary payment plans, some members felt that these should be encouraged, while others doubted their effectiveness. One member also doubted the effectiveness of negotiated payment plans in view of the experience of other organizations of the United Nations system. Some members were of the opinion that negotiated payment plans, which would become mandatory, could very well be a useful measure to envisage.

### 9. Other proposals

86. The Committee received a related proposal from one of its members. The proposal would provide a new payment option to Member States while increasing the control that the General Assembly can exercise over the financial condition of the Organization. This option would establish a new assessed fund in which the contributions of each Member State would depend on its recent payment record: the greater its past due assessed contributions, the greater its contribution to the fund. Payments by each Member State affected would be credited first to the fund and then to contributions due, in the same manner as provided for in Financial Regulation 5.6 on the Working Capital Fund. Thus, all Member States having the right to vote would eventually have to pay in full their shares in the fund. The size of the fund could vary from year to year and could be fixed by the Assembly so as fully or partially to offset projected financial problems, such as depletion of the existing reserve funds, the need to cross-borrow for the regular budget from peacekeeping funds and delaying payments to troop and equipment contributions. The Committee noted that the proposal would require further consideration.

## D. Representations from Member States

87. The Committee received written representations from five Member States, Bosnia and Herzegovina, the Comoros, Georgia, the Republic of Moldova and Tajikistan. The Committee noted that four of these five were requesting an extension of an exemption under Article 19, two of them having received exemptions since 1996. The Committee emphasized that such exemptions must be regarded as a strictly exceptional measure and expressed concern at this evident tendency to extend them for long periods of time.

88. The Committee emphasized the importance of the obligation of all Member States to pay their assessed contributions in full and on time. In this connection, it recognized the difficult circumstances faced by those Member States now seeking exemption under Article 19. At the same time, it urged them, as proof of their good faith, to make some payments to the United Nations, even during the period of such exemptions, so as to reduce the amount of their arrears. In this connection, the Committee recalled that in February 1999, it had recommended an exemption under Article 19 until 30 June 2000 for Honduras, following the devastation in that country from hurricane Mitch. At that time, Honduras indicated the high priority that it placed on meeting its obligations to the United Nations and that it might be able to make the minimum payment necessary to regain its vote by the end of the year. The Committee noted with appreciation that such a payment was subsequently received from Honduras.

### 1. Bosnia and Herzegovina

89. The Committee had before it the text of a letter dated 4 June 1999 from the Acting President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 1 June 1999 from the Permanent Representative of Bosnia and Herzegovina to the United Nations addressed to the President of the Assembly, as well as the text of a letter dated 1 June 1999 from the Permanent Representative of Bosnia and Herzegovina to the United Nations addressed to the Chairman of the Committee on Contributions. It also heard an oral representation by the Permanent Representative of Bosnia and Herzegovina and received information from the Secretariat.

90. In its written and oral representations, Bosnia and Herzegovina pointed to the continuing problems of national reconstruction and institution-building following its protracted civil war and the new constitutional structure agreed to under the Dayton/Paris Peace Agreements. It also drew attention to new problems faced as a result of the situation in Kosovo. Bosnia and Herzegovina also drew attention to the fact that, since its meeting with the Committee in February 1999, it had paid over $1 million of its arrears and that the minimum amount payable to restore its right to vote was now less than $200,000. Unfortunately, a further payment could not be expected until the next budget cycle, but it intended to continue reducing its arrears and did not expect to need to request a further extension of its exemption under Article 19.

91. The Committee noted the continuing political and economic problems still facing the country and agreed that the failure of Bosnia and Herzegovina to pay the full amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that Bosnia and Herzegovina be permitted to vote until 30 June 2000, in the expectation that this would be the final extension of this exemption under Article 19.

92. The Committee noted with appreciation Bosnia and Herzegovina's payment towards its outstanding contributions to the United Nations and noted its intention to reduce its arrears further in the coming year to a point below the minimum necessary to avoid the application of Article 19.

### 2. Comoros

93. The Committee had before it the text of a letter dated 16 June 1999 from the Acting President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 14 June 1999 from the Chargé d'affaires a.i. of the Comoros to the United Nations addressed to the President of the Assembly, as well as the text of a note verbale dated 8 June 1999 from the Permanent Mission of the Comoros to the United Nations addressed to the secretariat of the Committee on Contributions. It also heard an oral representation by a representative of the Comoros and received information from a representative of the Organization of African Unity (OAU) and from the Secretariat.

94. The representative of the Comoros advised that the political crisis caused by separatists in the islands of Anjouan and Moheli continued despite peace efforts under the auspices of OAU and the League of Arab States. This effort had been suspended following a military *coup d'état* in April.

95. The representative of the Comoros indicated that the economic situation continued to be extremely difficult and was adversely affected by the political situation, which had cut off significant sources of revenue, including tourism.

Salary payments to civil servants were currently being paid only every third month and salary arrears now totalled 14 months.

96. The representative of OAU informed the Committee that efforts at a political settlement had reached an advanced stage but had been upset by a military coup at the end of April. OAU had temporarily suspended military and political cooperation following the coup, which has clearly complicated hopes for improvement of the country's situation.

97. The Committee noted that the Comoros had benefited from exemptions under Article 19 since 1996. It further noted that no payments had been received from the Comoros since October 1996. The Committee expressed concern at the continuing increase in the arrears of the assessed contributions of the Comoros to the United Nations and the extended nature of its exemption under Article 19, a measure that is intended to be both exceptional and temporary. The Committee expects that the Comoros will make serious efforts to make payments as soon as possible, in order to reduce its arrears.

98. Notwithstanding these concerns, the Committee agreed that the failure of the Comoros to pay the amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that the Comoros be permitted to vote until 30 June 2000.

### 3. Georgia

99. The Committee had before it a letter dated 17 June 1999 and received on 18 June 1999 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 16 June 1999 from the Permanent Representative of Georgia to the United Nations requesting an exemption under Article 19.

100. The Committee recalled its decision to set a deadline for the receipt of such requests, as it has done in the past, so that there would be enough time to gather adequate information to ensure a full and fair hearing for all Member States concerned. It also recalled that Member States had been informed of this through announcements of the Committee's schedule of work and the latest date by which such representations should be submitted. Some members, however, expressed the view that the Committee had enough time to consider the request of Georgia.

101. In view of the late receipt of its communication, the Committee was not in a position to consider the request of Georgia.

### 4. Republic of Moldova

102. The Committee had before it the text of a letter dated 24 May 1999 from the Acting President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 20 May 1999 from the Permanent Representative of the Republic of Moldova to the United Nations addressed to the Acting President of the Assembly, as well as the text of a letter dated 2 June 1999 from the Permanent Representative of the Republic of Moldova to the United Nations addressed to the Chairman of the Committee on Contributions. It also heard an oral representation by the Permanent Representative of the Republic of Moldova and received information from the Secretariat.

103. The Republic of Moldova referred to severe economic problems stemming from actions by separatist forces in the eastern part of the country, the effects of the Russian economic crisis and natural disasters that have had an adverse impact on the agricultural sector. On this basis, the Republic of Moldova requested an exemption under Article 19 for the period of the first part of the fifty-fourth session of the General Assembly.

104. The Committee noted that the Republic of Moldova had suffered a serious decline in GDP because of the factors outlined above and the effects of economic restructuring. The Committee also noted the intention of the Republic of Moldova to pay off its arrears over the next five years. The Committee further noted the previous efforts of the Republic of Moldova to make payments towards its assessed contributions to the United Nations.

105. The Committee agreed that the failure of the Republic of Moldova to pay the amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that the Republic of Moldova be permitted to vote until 31 December 1999, in line with its request.

### 5. Tajikistan

106. The Committee had before it the text of a letter dated 15 June 1999 from the Acting President of the General Assembly to the Chairman of the Committee, transmitting a letter dated 14 June 1999 from the Permanent Representative of Tajikistan to the United Nations addressed to the President of the Assembly, which transmitted a letter dated 2 April 1999 from the Prime Minister of Tajikistan addressed to the Committee on Contributions, as well as the text of a note verbale dated 11 June 1999 from the Permanent Mission of Tajikistan to the United Nations addressed to the Committee on Contributions, transmitting

the letter dated 2 April 1999 from the Prime Minister of Tajikistan addressed to the Committee on Contributions. It also heard an oral representation by the Permanent Representative of Tajikistan and received information from the Secretariat.

107. Tajikistan made reference to the continuing burdens imposed by the civil conflict that it had experienced and costs related to the implementation of peace accords. These underlying difficulties had been exacerbated by natural disasters, the Russian economic crisis and low prices for its cotton and aluminium. As a result, the Government had a substantial budget deficit and had needed to borrow internationally. Reform measures, including privatization, were being implemented. It was hopeful that these would improve the situation.

108. The Committee recognized the continuing and severe economic and political problems facing Tajikistan. At the same time it noted some positive signs. It also noted that Tajikistan has been granted a series of waivers since 1996 and that the extension that it now requests would be its fourth exemption under Article 19. On the other hand, it noted with appreciation Tajikistan's continuing efforts to make payments towards its outstanding assessed contributions. It also noted that Tajikistan had reduced its arrears in both 1998 and 1999 and looked forward to a continuing improvement of its position.

109. The Committee agreed that the failure of Tajikistan to pay the full amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that Tajikistan should be permitted to vote until 30 June 2000, in the expectation that this would be the final extension of its exemption under Article 19.

# Chapter V

## Assessment of non-member States

110. The Committee recalled that, at its fifty-eighth session, it had considered the question of the assessment of non-member States and that, under the procedures approved by the General Assembly in its resolution 44/197 B of 21 December 1989, it had made recommendations concerning the flat annual fee proportions to be applied in calculating the annual assessments of specified non-member States. These recommendations were endorsed by the Assembly in its resolution 53/36 E of 18 December 1998.

111. In the same resolution, the General Assembly requested the Committee on Contributions to consider further the view set out in paragraph 99 of its report,[3] taking into account the actual participation of as well as the benefits enjoyed by non-member States in United Nations activities. The view referred to was that non-member States should not be assessed only according to their actual participation in United Nations activities. Given the fact that they can opt out of United Nations activities, a possibility not open to Member States, they should be assessed at a somewhat higher rate.

112. In this connection, the Committee noted that two of the non-member States covered by the current system of assessments also had observer status in the General Assembly. It also noted that a number of intergovernmental and other entities had observer status and that there were currently no assessments or fees payable in respect of observer status.

113. A number of members felt that the current system did not result in an adequate contribution from the non-member States concerned to the costs of the United Nations. It was suggested that the current system should be replaced by a flat percentage applied to the notional assessment rates of non-member States, without reference to the rates of participation in United Nations activities that underlie the current system. Rates of between 50 and 75 per cent were suggested. It was felt that such a system would be simpler and secure a more reasonable contribution from non-member States.

114. Other members recalled that the current system, which had been approved by the General Assembly in its resolution 44/197 B of 21 December 1989, was designed to reflect the actual participation of non-member States in the work of the Organization. A flat percentage rate would have no such technical rationale and any related decision would be essentially political and would have to be made by the Assembly. It was also noted in this context that the last revision of the system of assessment of non-member States had been the subject of consultation with the States concerned.

115. The Committee recalled that its next quinquennial review would not take place until 2003. Given the issues raised at the current session, however, and subject to any guidance or decisions by the General Assembly in the meantime, the Committee decided that it would be appropriate to consider the matter further at its sixty-first session in 2001, including the possibility of reducing the review period, possibly to three years, or extending it, possibly to six years.

116. One member did not recognize any sensible reason for deferring to 2001 the decision on a change of the assessment method for non-member States and would prefer a decision by the General Assembly on this matter to be taken during its fifty-fourth session. No further time should be lost in making the assessment of non-member States simpler and more efficient and in bringing the workload of the Secretariat more in balance with the revenues thus generated.

117. The Committee was informed that information had been received from the Holy See, following the Committee's review of the assessments of non-member States at its fifty-eighth session. The Committee recalled that, in the absence of this information, it had recommended that the flat annual fee proportion applied for the Holy See in calculating its assessments should be held at 10 per cent. The information received actually indicated a significant increase in the participation by the Holy See in United Nations activities. On the basis of that information, the Committee recommended to the General Assembly that the flat annual fee proportion to be applied for the Holy See in calculating its assessments should be increased to 25 per cent beginning in 2000.

118. One member was of the opinion that it was appropriate to change the assessment rate of the Holy See retroactively, noting that this non-member State's rate had been incorrectly established owing to its late submission of the relevant data. In order to discourage a deliberate conduct of this kind, a non-member State should not benefit from its own negligence.

119. The Committee was informed that one Member State had recently paid its outstanding non-member State assessed contributions, but that two other Member States still had outstanding non-member State assessments. The Committee urged those two Member States to pay their outstanding non-member State assessments as soon as possible.

# Chapter VI
# Other matters

## A. Collection of contributions

120. The Committee noted that, at the conclusion of the current session on 25 June 1999, the following 24 members were in arrears in the payment of their assessed contributions to the expenses of the United Nations under the terms of Article 19 of the Charter and had no vote in the General Assembly: Burundi, Central African Republic, Democratic Republic of the Congo, Dominica, Equatorial Guinea, Gambia, Grenada, Guinea, Iraq, Kyrgyzstan, Liberia, Mauritania, Mongolia, Niger, Republic of Moldova, Rwanda, Sao Tome and Principe, Seychelles, Sierra Leone, Somalia, Togo, Turkmenistan, Vanuatu and Yugoslavia. The Committee also noted that Bosnia and Herzegovina, Cambodia, Comoros, Congo, Georgia, Guinea-Bissau, Nicaragua and Tajikistan were in arrears in the payment of their assessed contributions under the terms of Article 19, but were currently permitted to vote in the Assembly. Pursuant to Assembly decision 53/406 A of 7 October 1998, the Comoros and Tajikistan are permitted to vote through the fifty-third session of the Assembly. Pursuant to Assembly decision 53/406 C of 7 April 1999, Bosnia and Herzegovina, Cambodia and Georgia are permitted to vote until 30 June 1999 and the Congo, Guinea-Bissau and Nicaragua are permitted to vote until 30 June 2000. The Committee decided to authorize its Chairman to issue an addendum to the present report, as necessary.

## B. Payment of contributions in currencies other than United States dollars

121. Under the provisions of paragraph 3 (a) of its resolution 52/215 A, the General Assembly empowered the Secretary-General to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the calendar years 1998, 1999 and 2000 in currencies other than United States dollars.

122. The Committee noted that eight Member States had availed themselves of the opportunity of paying the equivalent of $2.2 million in eight non-United States dollar currencies acceptable to the Organization in 1998.

## C. Organization of work

123. Some members noted that the Committee could organize its work still more efficiently, thereby reducing the length of its next session. While agreeing that the Committee should organize its work as efficiently as possible, other members emphasized that the overriding objective of the Committee next year was to assist the General Assembly in the preparation of a scale of assessments, as well as issues relating to the application of Article 19. The possibility of completing the Committee's work in less than the four weeks normally allocated during a scale year would depend crucially on the nature of the mandate from the Assembly and the time necessary to make related decisions as well as to deal with the representations received from Member

States. Given the uncertainties at this point, they felt that it would be imprudent to assume that the next session could be shortened.

## D. Date of next session

124. The Committee decided to hold its sixtieth session in New York from 5 to 30 June 2000.

*Notes*

[1] See *Official Records of the General Assembly, Fiftieth Session, Supplement No. 11* (A/50/11); and ibid., *Supplement No. 11A* (A/50/11/Add.2).

[2] Ibid., *Fifty-first Session, Supplement No. 11* (A/51/11 and corrigenda).

[3] Ibid., *Fifty-third Session, Supplement No. 11* (A/53/11).

[4] Ibid., *Fifty-first Session, Supplement No. 11* (A/51/11 and corrigenda), para. 73.

[5] Ibid., para. 48.

[6] Ibid., sect. IV.F.10.

[7] Ibid., *Fifty-third Session, Supplement No. 11* (A/53/11), chap. IV, sect. I.

[8] Ibid., chap. III.

[9] Ibid., *Fiftieth Session, Supplement No. 11A* (A/50/11/Add.2); and ibid., *Fifty-first Session, Supplement No. 11* (A/51/11 and corrigenda).